

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Fred L. Jarm, Jr.

Title: INTERIM LOAN GUARANTEE METHOD

Date of Application: 28 December 2001

**DETAILED DESCRIPTION, BACKGROUND AND SUMMARY OF THE INVENTION**

The following 18 pages consist of 2 drawings (fig 1 and fig 2), and 16 pages of narrative stating the means or steps plus functions which result in a useful, concrete and tangible result of the benefit of immediate funding of installment contracts in transit and review by approving lenders and protection from the possibility of any of these contracts being rejected or returned unpaid for any one of or several risks or situations.

This unique and useful method addresses the two major inefficiencies of the "sub prime" or "marginal credit" installment sales contract business; those being 1.) The average of two-week wait to be funded for the sale and assignment of the contract, and 2.) The possible and actual return of these contracts as a result of any or several reasons including, but not limited to:

- a. Retail consumer changing employment
- b. Vehicle becoming uninsured
- c. Retail consumer cannot be reached for pre-fund interview (skip)
- d. Vehicle confiscated or totaled before funding
- e. Improper title or registration (lien recording)

1. Retail "credit impaired" consumer (customer) comes to auto dealer in response to dealer's advertising welcoming people with credit problems.
2. Dealer submits credit application to various sub-prime sales finance agencies (Lenders).
3. Lender obtains credit bureau report and reviews application.
4. Provided credit bureau and information on the application meets with lender's policies and guidelines, dealer is sent a conditional approval. (Final funding is contingent on verification of information on application after contract package is received by lender.)
5. Dealer obtains copies of required documentation. These documents are customarily the following:

- a. Copy of recent pay stub
- b. Copy of telephone bill
- c. Copy of drivers license
- d. Rent or mortgage receipt
- e. 6 or 8 references
- f. Insurance information
- g. Bankruptcy Discharge Letter - if applicable

Dealer then collects the down payment and has the required paperwork signed. This paper work usually consists of the following:

- h. Retail Installment Contract
- i. Title application
- j. Bill of Sale
- k. Odometer Statement(s)
- l. Agreement To Provide Insurance
- m. Tax Forms
- n. Other miscellaneous documents

The vehicle is then delivered to the consumer.

6. Dealer now prepares the contract package, which consists of the original Retail Installment Contract, Credit Application, and copies of all other items referred to in #5 above, and then forwards (sends) to the lender.
7. Upon receipt of the package, lender begins verifications with at least: a) the consumer's employer, b) insurance agent, and c) landlord. This verification process may take several days and many times situations occur which require new or additional documents and explanations. Thus, resulting in delays and communications from lender to dealer, dealer to consumer, consumer to lender and dealer, etc.
8. Provided all verifications are eventually completed to lenders satisfaction, a check or ACH electronic funding is made by the lender to dealer.

This process is significantly different from what dealers are accustomed to with their conventional lenders. The conventional lenders (GMAC, Ford Credit, dealer's bank, etc.) require only the contract, credit application, and insurance information. Furthermore, their approvals are not subject to later verifications and the dealer is funded immediately.

The process described above and in Figure 1 results in two important concerns facing the auto dealer:

1. An average of 2 weeks delay in funding (from delivery date until funding).
2. The possibility of the contract being returned, unfunded, to the dealer by the lender for any of several reasons - such as, but not limited to:
  - a. Customer changes employment
  - b. Vehicle is confiscated
  - c. Customer leaves town (skip)
  - d. Lender ceases operations
  - e. Misrepresentations by customer

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When the dealer contracts with Interim Funding, L.L.C. (exhibit A), these two major inefficiencies of the industry are addressed.

The comparison of figures 1 and 2 will indicate that steps 1 through 5 are identical and re-stated here. The change and improvements are reflected in steps 6, 7, and 8, whereby the dealer obtains a Guarantee Authorization Number, which enables the dealer to complete and deposit one of Interim Funding's checks and be guaranteed that should the contract be rejected by the approving lender, the dealer will be able to find a new lender with Interim Funding's enhancements less a \$500 "additional claim discount".

When the dealer is funded by the lender, Interim Funding electronically deducts (via ACH) the proceeds from the dealer's checking account.

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  - f) Insurance information.
  - g) Bankruptcy discharge letter if applicable.

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- n) Other miscellaneous documents

The vehicle is then delivered to the consumer.

6. Dealer prepares the Interim Funding Approval Guarantee/Funding Request (exhibit B) and transmits via fax to Interim along with copies of:
  - a) consumer's pay stub
  - b) insurance information
  - c) lender's approval
  - d) bill of sale

Dealer determines if he desires the guarantee only or guarantee and immediate funding.

7. Interim then reviews the documents—primarily the pay stub to determine its authenticity and accuracy. We look for garnishments and apply the 7.65% factor to gross income compared to the total of FICA and Medicare—calculations are done to determine if the income received according to the stub reflects what is stated on the application. In 7a and 7b, Interim verifies employment and insurance.

8. Provided the car is insured, the consumer is employed and other aspects of the transaction reflect a great likelihood of the deal meeting the lender's standard and being funded. Interim transmits to the dealer the guarantee/funding authorization number (exhibit C).  
The dealer then prepares the Interim Funding check (exhibit D), the promissory note (exhibit E) and the assignment of proceeds (exhibit F). Then the dealer deposits the Interim check in his bank and sends the note and assignment of proceeds to Interim.
9. Dealer now prepares the contract package, which consists of the original Retail Installment Contract, Credit Application(s), and copies of all other items referred to in #5 above, and then forwards (sends) to the lender.
10. Upon receipt of the package, lender begins verifications with at least: a) the consumer's employer, b) insurance agent, c) landlord. This verification process may take several days and many times situations occur which require new or additional documents and explanations, resulting in delays and communications from lender to dealer, dealer to consumer, consumer to lender and dealer, etc.
11. Provided all verifications are eventually completed to lender's satisfaction, a check or ACH electronic funding is made by the lender to dealer.
12. Interim has been monitoring the process every 3 days after authorization is given as follows:
  - a) First 3 days - verify loan package received at lender
  - b) Second 3 days - determine if any problem exists
  - c) Third 3 days - determine if deal is funded
  - d) Fourth 3 days - 96% of the business is funded by this time. Dealer is notified and an ACH is initiated (exhibit G).

In summary and conclusion; the Interim Funding, L.L.C. method of doing business is unique and original in that it:

1. Eliminates the average two week delay in being funded or paid for assigned retail installment contracts, and
2. eliminates the possibility of contracts being returned as "unfundable" for a variety of reasons other than dealer fraud or misrepresentations.

As a dealer who wants to remain competitive, you're interested in special financing. You know that special financing enables you to sell to more consumers. And you know these deals are more lucrative than the majority of your deals. But you may have reservations about special financing despite the benefits it offers.

Perhaps you've heard that dealers are often exposed to risk for over two weeks while waiting for their money.

Maybe a dealer you know had contracts out to a lender who then experienced financial distress.

Or you may know a dealer who delivered a car that was totaled, stolen or confiscated before the lender funded the deal.

These are risks that must be considered. In fact, these issues are exactly why Interim Funding was established. We believe that special financing should be as safe and easy as conventional financing. You'll be pleased to find that our program addresses all of your concerns.

When you accept credit cards or use a check guarantee service, you routinely pay 2% - 3% to get your funds in the bank as soon as possible. After all, money in your bank account is more useful than money owed to you. In a special financing deal, however, money in your bank account is a requirement. Your floor plan lender expects prompt payment when you sell a car. But it can be weeks before your approving lender is able to pay you. That leaves you in a difficult situation.

Some dealerships take units to the auction in order to get cash quickly. Although it can ease the cash crunch, paying to get the car to the auction and then paying the sales fee, only to sell your car at a wholesale price, leaves something to be desired. On top of that, you're depleting your inventory, making it more difficult to sell the next car. The auction's sale fee alone is usually more than \$150, about the same as Interim Funding's fee on a \$10,000 contract.

In delivering cars to sub-prime borrowers (usually with sub-standard insurance—if any) you're at risk if something happens to the car before you receive payment from the approving lender.

When you sell to a customer with sub-prime credit, use one of our signed blank checks and you'll have your money right away—before the approving lender receives the loan package! Or, if you prefer, we can electronically fund your account (ACH).

We protect you from almost all insurable risks. You'll have fire, theft, collision, confiscation, and skip coverage. This protection covers the contract amount—not just the ACV of the vehicle—so you won't have to worry about getting stuck with an \$8000 insurance check for an \$11,000 contract. All of this protection is included in our low discount and processing fees.

You are also protected in another, more subtle way. Several sub-prime lenders have experienced financial distress over the past six years. Although you will continue to use your same trusted lenders, the fact that Interim Funding pays you immediately virtually eliminates your exposure to this potential risk.

Interim Funding's program doesn't interfere in any way with your lender relationship. The contract is assigned by you directly to the lender.

We provide assistance and monitoring of your department and can help you get started in special financing if you've been putting it off because of the risks.

The world of special finance has its characters. You've seen them. You have special names for them. Some are just down on their luck, caught by unforeseen circumstances. Others haven't a clue and never will. Problem is, you need to sell more units but don't want to get burned.

Each one of these cases represents a risk that looms overhead. You could be exposed for over two weeks while waiting for your money. The lender you thought was solid starts to experience financial distress. Or your customer has the car you sold him totaled, stolen or confiscated before the lender funded the deal.

These issues are the reason behind Interim Funding's existence. We feel that you should be able to take advantage of the benefits special funding has to offer without the risk. It is our goal that special financing be as safe and easy as conventional financing.

What if we told you we could guarantee your contracts? We can. And we can do it affordably and with a minimum of hassle. Our Approval Guarantee Program features prescreening, insurance, deal monitoring, and most important, a guarantee for as little as \$39.

Your guarantee provides coverage for "bounced" or returned deals due to:

- job gap;
- skip, confiscation or collateral jeopardy;
- lender financial distress;
- customer misrepresentations;
- over advance or term; or
- additional, unobtainable stip.

We can even give you a way to go if your customer loses his job.

We can provide this guarantee with confidence because our initial screening process is designed to catch a problem before it hits the lender. Our analysis of the deal structure assures less than 5% of the contracts will be problems.

Aside from having a great price, the Approval Guarantee Program couldn't be easier to use...

- Work the deal as usual.
- Obtain written approval(s) from your usual sources.
- Select lender which provides the best profit and contract deal.
- Prepare IFC approval guarantee request.

Fax guarantee request together with recent pay stub, credit application, approval letter, proof of insurance and buyers order.

Within twenty minutes (during regular business hours) you will receive confirmation and approval guarantee number.

Send loan package to approving lender as usual. IFC verifies complete loan package receipt at lender.

Work with IFC, lender, and your customer to assist in providing any missing steps or verifications lender may require.

As you can see the process is fairly painless. It is also important to us that the program is flexible. You retain the option to unwind the deal rather than assume any additional discount or liability. You can also reassign the contract to another lender with IFC's guarantee. If arrangement is not made with a lender to accept the contract within 21 days we will take the assignment. We can even assist you in collection of the first payment.

Interim Funding, L.L.C. is a unique, specialty lending company providing money and protection to automobile dealers involved in Special Finance (Sub-Prime lending) for their "credit impaired" customers.

We do not make loans to customers or purchase and/or service installment contracts. We do, however, advance 99% of the expected proceeds from the assignment of any contract to a special finance sales financing agency and, in addition, we guarantee that the contract will be purchased should the anticipated dealer arranged assignment not be accepted.

Our bookthedeal.com enables a dealer to guarantee and/or fund a deal through e-business 24 hours a day, 7 days a week.

Many dealers have been surprised by the difference in funding time between conventional and sub-prime lenders. In addition, several situations can (and do) occur from the time of delivery up until the time of funding which is an average of 2 weeks. This is why Interim Funding was created; immediate funding and protection against deals unwinding.

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### Solution for Monday Morning Madness

By: Greg Goebel

With over ten years experience in all types of Special Finance, I have participated in more than a few 20 Group discussions concerning Monday Morning Madness. You know it - that big direct mail sale has made your month in a weekend. The sales staff is pumped, the sales manager's head will barely fit through the door, and the finance desk is absolutely buried!

About that time the office manager reminds the dealer while he is looking over the DOC that they now have (fill in the dollars for the size of your dealership) one third of the normal MONTHLY floor plan payoffs due 72 hours from now. The dealer then picks up the phone and dials the finance office to check the status of the contracts-in-transit. In that discussion it is learned that half of the deals are spotted, the rest are with assorted lenders that fund over a period of weeks rather than days, and, oh by the way, ABC lender is sending back four other deals from a week ago because the telephone's have been disconnected. The dealer is wondering why on earth he ever allowed himself to get into the special finance business!

There are very few dealerships that don't share this experience occasionally. It is the time when the Special Finance manager knows the true meaning of the word "pressure".

It is the same kind of pressure that is felt after the used car manager has spent \$800 on reconditioning a trade-in, or sold it at the auction, only to find out that after three weeks the customer (who is driving around in a new car) had a 45-day job gap two years ago and the deal is being sent back.

Did I mention the scenario where the trade payoff was made after the lender's rep told the finance office they had funded a deal, only to find out, a supervisor would not sign off on it and the deal was sent back? Probably it was that same instance where the customer had been running 90 days late at a bank, and the banker did a tap dance in the street when he received the payoff check!

These are real world scenarios. In 6000+ special finance deals, even with the tightest of controls, I guarantee my dealership has been there. Now I can say, I have found a solution. It is called Interim Funding ([www.interimfunding.com](http://www.interimfunding.com)).

Quite some time ago when I first saw it, I was skeptical. It was probably like all the other lenders. Big promises, but as the phrase goes, "Show me the money!" I did my due diligence, still was skeptical, but decided it was worth a chance. Every once in a while even a blind squirrel can find an acorn. I have even seen a smile on my finance manager's face!

Interim Funding, based in a suburb of Chicago, actually guarantees the funding of your contracts. No insurance, skips, bad telephones, job gaps, even loss of jobs - if something like this occurs, the



deal still gets funded. To make matters better, should you desire, you can actually interim fund (catchy idea for a name?) the deal through them by depositing a draft to have the use of the money, while it is going through the lenders funding process.

Too good to be true? Costs an arm and a leg? Not at all. Our average cost per deal has been \$79, and \$130 if we interim fund. How does that compare to lost retail or wholesale deals due to a back-log full with trades that you can't do anything with because the deals haven't been funded? What does it cost to errantly make that payoff mistake? What does it do to your CSI surveys when you can't make the payoff on the trade because the deal hasn't funded, but the lien holder is pressuring the customer for his overdue payment?

This column isn't designed to sell Interim. But as a dealer, I like to hear about how a company performs from other dealers. I am then more apt to believe it. Dealers that get into Special Finance for a short time only to get back out often do it because of the headaches of funding. For us it has helped us reduce our contracts in transit by 50% and keep it there for six months. That is significant. My special finance department enjoys the "second set of eyes" on the deal documents, and that keeps them fresher. That, too, is significant. Finally, I was so suspect of a particular lender that the only way I would allow my finance manager to do business with them was if the deals could be guaranteed. The lender just two weeks ago finally went down. All my deals got funded. That is really significant.

The "Monday Mornings" have always been part of the car business, but to some dealers, the nightmare of Special Finance contracts-in-transit has been the barrier preventing them from reaping the rewards that come from the niche. That barrier just got much smaller!

Greg Goebel is the Dealer Principal of AutoChoice Hyundai as well as the owner of AutoChoice America, a stand alone Buy-Here Pay-Here operation. He was on the Executive Committee of the National Independent Auto Dealers Association for the past four and one half years, most recently serving as Vice-President at Large

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# EXHIBIT A

## INTERIM FUNDING, L.L.C. DEALER AGREEMENT

This Dealer Agreement is entered into on \_\_\_\_\_, 20\_\_\_\_ between Interim Funding, L.L.C. ("Interim") and \_\_\_\_\_ ("Dealer"), and specifies the terms under which Interim may advance funds for written contracts assignable by Dealer to others for the sale or lease of motor vehicles, and the rights and obligations of Dealer and Interim regarding those contracts.

### Purpose of this Dealer Agreement

Dealer sells motor vehicles to retail buyers pursuant to written installment contracts and leases motor vehicles to retail lessees pursuant to written lease contracts (the "contracts"). Dealer obtains conditional approval for assignments of those contracts from various finance companies, banks and other lenders ("Lender"). During the term of this Dealer Agreement, Dealer may request an advance of funds from Interim relating to amounts due to Dealer from conditional assignment of those contracts to Lenders. Dealer is not obligated to request advances and Interim is not required to advance funds, but any advances made shall be subject to the terms and provisions of this Dealer Agreement.

### Advancement of Funds

**A. Funding Request.** Dealer shall provide Interim with a written Funding Request for any request for advancement of funds for contracts by providing Interim with the actual or proposed terms of the contract and its assignment to a Lender, as well as any credit information regarding each Buyer, Cosigner, Lessee, Co-Lessee, Guarantor or other Obligor named in the contract (collectively "Buyer"), and any other information and in such format as Interim may request or require. Interim may accept or reject, either orally or in writing, any Funding Request in its sole discretion. The Funding Request shall contain the following information, as well as any other information required from Interim:

1. **Total Amount Financed.** The cash sales price or capitalized cost of the vehicle, including any other amounts advanced for insurance premiums, eligible service and warranty contracts and other charges individually itemized in the contract and approved by Interim, less the amount of any down payment, security deposit, rebates and other credits, all as fully disclosed pursuant to law in the contract.
2. **Lender Discount.** The applicable Lender acquisition discounts, charges and processing fees.
3. **Interim Discount.** The applicable Interim acquisition discounts, charges and processing fees.

**B. Acceptance of Funding Request.** Upon acceptance of a Funding Request by Interim, Dealer shall execute a promissory note ("Note") payable by Dealer to Interim in an amount equal to the Total Amount Financed, less the applicable Lender Discount, with a maturity date for payment of no less than 21 days, or upon demand prior to maturity. Dealer shall also execute an assignment of its rights to Interim of all proceeds from the sale, transfer or assignment of the contract or any returns of the contract in the event that assignment is not fully accepted by the Lender ("Assignment").

**C. Completion of Funding Request.** Upon receipt of an executed Note and Assignment, Interim shall pay Dealer the Total Amount Financed, less the Lender Discount and the Interim Discount.

**D. Guaranty Requests.** Dealer may request that Interim provide Dealer with a guaranty for contracts presented for certain credit problem customers ("Special Finance Contracts") through certain lenders designated by Interim as Special Finance Lenders. Dealer shall provide Interim with a written Guaranty Request, pay Interim a guaranty fee pursuant to a fee schedule provided by Interim, and provide Interim with all other terms and information required with a Funding Request. Interim may accept or reject, either orally or in writing, any Guaranty Request in its sole discretion. Upon acceptance of a Guaranty Request by Interim, Interim will provide Dealer with a guaranty number and agree to pay Dealer in the event the Guaranteed Contract is rejected by the Special Finance Lender, under the terms and conditions of Paragraph E below.

**E. Rejection of Guaranteed Special Finance Contracts.** Upon rejection of a Guaranteed Contract by a Special Finance Lender, Dealer shall provide Interim with all documents referred to in Paragraph D above, along with an Interim Guaranty Claim Form. If not previously funded, Interim will then pay Dealer the Total Amount Financed, less any applicable Lender Discounts and Interim Discounts, subject to the terms, conditions and restrictions specified in Paragraph F. Dealer agrees to cooperate with Interim in obtaining another lender willing to accept assignment of the contract in the event a contract originally rejected by a Lender is eventually accepted by that same lender or another lender who may have additional discounts or guarantees arranged and provided for by Interim. Dealer agrees to cooperate with Interim in obtaining new contract forms, documents, titles, lien changes, etc., as required. If another lender has not accepted the contract within 21 days from the date of the Guaranty Claim Form, Dealer shall retain all of its right, title and interest in the contract and the vehicle, and pay Interim according to the terms of the Note.

**F. Terms, Conditions, and Restrictions of Interim Guaranty of Special Finance Contracts.** Interim must receive guaranty requests and the required fees on or at least 90 percent of all Dealer's contracts offered for assignment to Special Finance Lenders. A Guaranteed Contract must be rejected by the Special Finance Lender within 14 days of the date of acceptance of the Guaranty Request by Interim. All claims for rejection Guaranteed Contracts must be received on Interim Guaranty Claim forms within 72 hours of rejection by the Special Finance Lender. Payment for a Guaranteed Contract will only be made if rejected by the Special Finance Lender for one or more of the following reasons: unacceptable employment history or loss of employment by Buyer; inability to verify or confirm Buyer's personal or credit information; vehicle loss, destruction, confiscation, seizure or impoundment; unacceptable contract terms; customer misrepresentations; insolvency, bankruptcy or receivership of Special Finance Lender. Dealer has complied with all the other requirements, representations, and warranties as provided in this Dealer Agreement. After Dealer files an Interim Guaranty Claim Form, Dealer must collect the first contract payment when it becomes due and forward it to Interim, unless otherwise agreed by Interim.

**G. Payment.** Interim may demand payment under the Note prior to maturity after confirmation that funds have been received by Dealer from any Lender for the purchase of a contract. Dealer agrees to allow Interim to withdraw funds directly from a Dealer business account for any unpaid fees and discounts due Interim, as well as any amounts due Interim under an Assignment after confirmation that funds have been received by Dealer from Lender for the purchase of a contract. Dealer agrees to cooperate with Interim and all financial institutions involved to execute all documents required to allow Interim this access.

### Dealer Representations, Warranties and Indemnification

With respect to any contract for which Interim has advanced funds or accepted assignment, Dealer represents and warrants as follows:

- (a) Dealer is duly organized, validly existing and in good standing under the laws of the state of its organization. Dealer is licensed as required by applicable law, and is not subject to any outstanding order, writ, injunction or decree or any court ruling, regulation, injunction, governmental agency holding or other restriction affecting Dealer's right to sell or lease vehicles or enter into contracts.
- (b) The contract arose from the sale or lease of the property described on the face of the contract itself. The contract and all signatures thereon are genuine and authentic, and the contract is legal, valid and enforceable in accordance with its respective terms. The contract contains the entire agreement of Dealer and Buyer, and all amounts and terms are exactly as stated in the contract. No misrepresentations were made by Dealer or its employees to the Buyer respecting the vehicle, the contract or its terms, any required disclosures or policies, financing of the vehicle for the residual value and buyout options of a leased vehicle.
- (c) The cash price or capitalized cost of the vehicle as stated in the contract is the amount as defined by applicable federal and state law, and is the price charged by Dealer for substantially similar vehicles in cash transactions. The prices for the vehicle, warranty or service agreement, insurance, and other charges and the financing rate were not increased because: (1) the vehicle was sold to a member of a protected class as defined under federal or state law; (2) the vehicle was sold or leased in a cash transaction or with financing arranged through Dealer; (3) the contract was to be purchased by Lender for less than the Amount Financed as stated in the contract; or Lender otherwise charged any fees or costs to Dealer or (4) Dealer intended to request an advancement of funds from Interim upon conditional assignment of the contract to Lender. Dealer further agrees that no fees, costs, or applicable Discounts from either Lender or Interim have been charged to the Buyer in connection with the transaction.

EXHIBIT A

- (c) As of the date of the contract, Dealer's title to and ownership of the vehicle free and clear of all liens, mortgages or other encumbrances other than the security interest created under the contract, except liens in favor of any non-plan lender or collateral holder of Dealer.
- (d) The vehicle and all accessories and equipment were properly used and in good operating condition and repair, and in full compliance with all applicable law. The vehicle is not salvage, rebuilt, flood or water damaged, and has not been previously used as a taxi, police or fire department vehicle or messenger or delivery vehicle. No misrepresentations were made by Dealer or its employees and agents to the Buyer respecting the quality and condition of the vehicle. Dealer has delivered possession of the vehicle to the Buyer pursuant to the contract, and the Buyer is the primary driver of the vehicle, unless otherwise disclosed to Interim.
- (e) All disclosures and notices required by law were accurate and properly made to Buyer prior to signing the contract.
- (f) As of the date of the contract, the vehicle was covered by physical damage insurance, in the form and amount in compliance with the requirements specified from time to time by the Lender, covering the vehicle against fire, theft and collision. All required insurance disclosures and information has been or will be delivered to the Buyer in accordance with applicable law. If complete and accurate information of confirmed insurance coverage is not furnished to the Lender at the time it purchases the contract, Dealer will be responsible for any loss incurred by Interim that would have been covered by required insurance within 180 days from the date of the contract.
- (g) To the best of Dealer's knowledge, all statements and information contained in the Buyer's credit application and the contract are true and correct as of the date of delivery of the vehicle to Buyer. Neither the Dealer or its employees have misrepresented or altered any information provided on the Buyer's behalf. The Buyer's credit application contains all credit information provided by the Buyer to Dealer, and Dealer has no credit information regarding the Buyer, which it has not disclosed to Interim.
- (h) Dealer has assigned the contract and its security or ownership interest in the vehicle to the Lender, and has provided Lender with all other documentation required by the Lender as a condition of its acceptance of assignment. On vehicle sales, the Lender holds or will hold a valid, first security interest, and is entitled to all the rights of a secured party under applicable law. On vehicle leases, the Lender holds or will hold legal title as owner of the vehicle, and is entitled to all the rights of an owner and lessor under applicable law. All applications and filings related to the certificate of title and registration of the vehicle have been made, including those required to reflect the interest of the Lender in the vehicle is complete and delivered to the applicable governmental agency within the time limits prescribed by law.
- (i) Any information acquired by Dealer from Interim relating to Interim's business, including but not limited to customer lists and data, business plans, forecasts, software and financial information, shall not be disclosed by Dealer to others, nor used for any purpose other than performance under this Dealer Agreement.

Each of these warranties and representations is deemed material to the funding and/or guaranteeing of the contract by Interim. If any of them is breached or is erroneous, Dealer unconditionally agrees to pay Interim upon oral or written demand the full amount Interim paid pursuant to the Funding Request. Dealer also agrees to indemnify Interim to the full extent of all losses, expenses, attorneys fees and court costs incurred by Interim as a result of any breach, error, act or omission by Dealer relating to the contract or the vehicle or the subsequent assignment to the Lender, and the enforcement of the provisions of this Dealer Agreement. Dealer further agrees to defend, indemnify and hold harmless Interim for any judicial suit, rescission or loss suffered as a result of any claim or defense of the Buyer against Interim.

### Termination

Dealer or Interim may terminate this Dealer Agreement upon written notice to the other party, effective immediately. The termination of this Dealer Agreement shall not release Dealer or Interim from any obligations with regard to contracts that are subject to this Dealer Agreement. The representations and warranties of Dealer under this Dealer Agreement shall survive the termination of this Dealer Agreement.

### Miscellaneous

**No agency relationship.** This Dealer Agreement does not make Interim or Dealer the partner, agent, employee or representative of the other for any purpose whatsoever. Dealer shall not represent itself as being capable of making or actually making, any commitment or entering into obligation, arrangement or understanding on behalf of Interim.

**Books and Records of Dealer.** Dealer shall at its own expense maintain full and accurate records relating to the contracts and vehicles, showing all receipts and expenditures, which shall be open for inspection and examination by Interim during regular business hours.

**Entire Agreement.** This Dealer Agreement constitutes the complete agreement among the parties and supersedes all prior and contemporaneous agreements and understandings of the parties.

**Governing Law/Jurisdiction.** The validity of this Dealer Agreement and the meaning and effect of its terms shall be interpreted according to the internal laws of the State of Illinois, without regard to its conflict of laws provisions. Dealer irrevocably agrees that, subject to Interim's sole and absolute election, all actions or proceedings in any way arising out of or related to this Dealer Agreement will be litigated in federal or state courts having situs in Illinois. The undersigned consents and submits to the jurisdiction of any court located within Illinois, waives personal service of process and agrees that all such service of process may be made by registered mail directed to the undersigned at the address stated below and service so made will be deemed to be completed upon actual receipt. Dealer knowingly and voluntarily waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Dealer Agreement.

**Modification.** From time to time, Interim may make modifications to this agreement on notice to Dealer. Dealer submission of a Funding Request or Guaranty Request to Interim after the effective date of the modification shall be deemed an acceptance of the modification by Dealer.

**Binding Effect.** This Dealer Agreement shall be binding upon and inure to the benefit of Dealer and Interim, and their respective successors and permitted assigns. Dealer may not assign any of its rights or obligations under this Dealer Agreement without the prior written consent of Interim.

**Remedies.** No failure or delay of Dealer or Interim to exercise or enforce the rights or remedies shall operate as a waiver of rights and remedies. No single or partial exercise of any rights or remedies shall preclude any other or further exercise of such rights. The remedies in this Dealer Agreement are cumulative and not exclusive of any other remedies provided by law.

**Notices.** Any notice required or permitted under this agreement shall be in writing and be effective upon receipt by personal service, traceable express mail or certified mail, return receipt requested, or by facsimile transmission. Notices shall be addressed as follows until a notice of new address is given:

INTERIM FUNDING, L.L.C.  
2500 College Drive, Suite 201  
Bellevue Heights, Illinois 60463

DEALER:

(Legal name of Dealership)

(Address of Dealership)

By

(Signature of Managing Member)

By

(Signature of Corporate Officer and Title)

EXHIBIT B

# INTERIM FUNDING, LLC

## APPROVAL GUARANTEE REQUEST

Dealer \_\_\_\_\_ Date \_\_\_\_\_

Customer \_\_\_\_\_

Vehicle \_\_\_\_\_ Creditor \_\_\_\_\_

Amount Financed \_\_\_\_\_ Line A \$ \_\_\_\_\_

Less Creditor Discount \_\_\_\_\_ \$ \_\_\_\_\_

Plus Finance Reserve Paid by Creditor \_\_\_\_\_ \$ \_\_\_\_\_

\*Finance Reserve may be added for immediate funding; however, this amount is not guaranteed by Interim Funding.

Expected Proceeds \_\_\_\_\_ Line B \$ \_\_\_\_\_

### Approval Guarantee Fee

Contracted Monthly Payment \$ \_\_\_\_\_

Amount Financed	Flat Fee
\$2000 - \$6000	\$39
\$6001 - \$10000	\$57
\$10001 - \$15000	\$79
\$15001 - up	\$97

Line C Fee for this deal \$ \_\_\_\_\_  
(This amount will be billed to you if no immediate funding)

The undersigned hereby certifies that the above-referenced transaction and all supporting documents are valid, and the dealer knows of no reason why the approving creditor would not accept assignment of this contract and advance to dealer the proceeds therein.

X \_\_\_\_\_  
Authorized Signature

### FUNDING REQUEST

Would you like immediate funding for this deal?

\_\_\_\_ NO \_\_\_\_ YES If YES, add .95% of Line A above Line D \$ \_\_\_\_\_

This funding request is made pursuant to the terms of our Dealer Agreement, Promissory Note, and Assignment of Creditor/Insurance Proceeds  
Total fee for this deal Line E \$ \_\_\_\_\_  
(Line C + Line D)

X \_\_\_\_\_  
Authorized Signature  
Net Proceeds to Dealer \$ \_\_\_\_\_  
(Line B minus Line E)

### PLEASE FAX THE FOLLOWING DOCUMENTS ALONG WITH THIS REQUEST:

- \_\_\_\_ Credit Application \_\_\_\_ Buyers Order \_\_\_\_ Creditor's Approval Sheet  
\_\_\_\_ Proof of Income \_\_\_\_ Completed & Signed Agreement to Provide Insurance  
Fax this request and all documents to: 708-597-9885

# Interim Funding, LLC

## Acceptance & Authorization for Approval Guarantee

EXHIBIT C

From **KAREN**

Dealer **MIMI DRAGONE, INC.**

Attention **Carman**

Date **December 27, 2000**

Fax# **203/368-0584**

Customer Name **BIGNON DOMONOL**

Vehicle Description **1998 FORD TAURUS**

Authorization # **116-1200-3420**

Amount Financed **\$ 9,750.00**

Approval Guarantee Fee **\$ 57.00**

Comments/Stipulations

**If immediate funding was requested:**

Draft Amount **\$ 6,117.85**

Promissory Note Amount **\$ 6,267.47**  
(Enter this amount at the top of the Promissory Note)

*Thank you for allowing us to assist you with this transaction.  
Please retain this fax in the sales jacket for possible future reference.*

Interim Funding, LLC  
6500 College Drive, Suite 201  
Palos Heights, IL 60463  
Toll Free 877-299-FUND  
Fax 708-597-9885

*\*\*Please note: it is the dealer's responsibility to provide to the lender adequate  
proof of child support or social security income being received by the applicants.*

DEC. 27, 2001 11:51AM  
JAN-11-2001 14-09

BARNES AND THORNBURG

841 NO. 124, 403 P. 20, 20/23

Exhibit D

INTERIM FUNDING, LLC  
PH. 708-224-1221  
3500 COLLEGE DR. STE. 201  
PALOS HEIGHTS, IL 60463

AUTHORIZATION # 1234-1200-2019  
VOID WITHOUT VALID AUTHORIZATION

09100

December 27, 2000  
DATE

2-1/113

\$ 512052.25

Star  
Twelve Thousand Fifty Two Dollars and Twenty Five Cents

BANK ONE, N.A.  
CHICAGO, IL

**SAMPLE**

THIS CHECK IS PRESENTED IN ACCORDANCE WITH THE  
TERMS AND CONDITIONS OF OUR DEALER AGREEMENT.  
NOTE AND ASSIGNMENT

PURCHASER  
NAME

Karen Fork

*Rev*

⑈004100⑈ 1071000013⑈

Exhibit E

INTERIM FUNDING, L.L.C.  
PROMISSORY NOTE

Date of Note	Principal Amount of Note	Interest Rate	Maturity Date	Draft Authorization Number
		15.0%		

**Promises to Pay.** FOR VALUE RECEIVED, the undersigned ("Dealer") promises to pay at maturity in lawful money of the United States of America to INTERIM FUNDING L.L.C., or its nominee, 6500 College Drive, Suite 201, Peoria Heights, Illinois 60463, or at such other place as the holder may designate in writing, the principal amount listed above, together with interest as provided herein.

**Maturity and Payment.** This Note shall become due on the maturity date listed above, or upon demand before maturity, at which time all unpaid principal shall be immediately due and payable. No interest shall be charged or accrue prior to the maturity date. Dealer may prepay any portion of principal at any time without a prepayment premium. Any payments received by Interim after maturity shall be applied first to payment of accrued interest as calculated below, then to principal, and any remaining amount to any unpaid collection costs and late charges.

**Interest after Maturity.** If this Promissory Note is not paid in full at the expressed maturity date, Dealer will pay interest at the rate listed above per annum after maturity. Interest shall accrue from the date of maturity up to but excluding the date of repayment of this Promissory Note. Interest on this Note is computed on a simple interest basis, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the number of days the principal balance is outstanding. Notwithstanding the foregoing, in no event shall the applicable interest rate exceed the maximum permitted by law.

**Default.** Dealer will be in default if any of the following events occur: (a) Dealer fails to pay the principal balance at maturity, (b) Dealer fails to comply with or perform when due any other obligation, covenant or condition contained in this Note or any agreement related to this Note, or in any other agreement or Note Dealer has with Interim, (c) Any representation or statement made to Interim is false or misleading in any material respect either now or at the time made, (d) Dealer becomes insolvent, or in the event that a proceeding in bankruptcy, insolvency, receivership, reorganization or assignment for the benefit of creditors is instituted by or against Dealer, or the business of Dealer is in any way liquidated.

**Remedies on Default.** Upon default, Interim may declare the entire unpaid principal balance on this Note and all accrued interest immediately due and payable, without notice, and then Dealer will pay that amount. Interim may hire or pay someone else to collect this Note if Dealer does not pay, and Dealer will also pay that amount. This includes Interim's attorneys fees, court costs and any other legal expenses incurred, whether or not a lawsuit is filed, and includes any attorneys fees and expenses related to bankruptcy or insolvency proceedings.

**Assignment.** In further consideration of this Note, Dealer hereby assigns to Interim all of its right, title and interest in the proceeds resulting from the sale and/or prior assignment of a certain written installment contract pursuant to a separate Assignment executed between Dealer and Interim on this date and identified with the Draft Authorization Number listed above. All proceeds received by Interim from that Assignment shall be applied to this Note as provided above.

**Other Agreements.** Dealer further agrees as follows:

- After the maturity date, Dealer waives presentment, protest and demand for payment, notices of presentment, nonpayment and of dishonor, protest of dishonor, and notice of protest and demand.
- Dealer waives all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default, or enforcement of the payment hereof or hereunder, unless specifically provided for herein.
- Dealer waives any and all lack of diligence and delays in the enforcement of payment of this Note.
- Dealer consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Interim with respect to the payment or other provisions hereof, and to the release of any security at any time given for the payment hereof, or any part thereof, with or without substitution, and to the release of any person or entity liable for the payment hereof.
- Dealer consents to the addition of any and all other makers, indorsers, guarantors, and other obligors for the payment of this Note, and to the acceptance of any and all other security for the payment of this Note, and agrees that the addition of any such obligors or security shall not affect the liability of Dealer for the payment of this Note and that no waiver by Interim shall in any way affect the liability of Dealer.
- No failure or delay of Interim to exercise or enforce the rights or remedies shall operate as a waiver of rights and remedies. No single or partial exercise of any rights or remedies shall preclude any other or further exercise of such rights.
- Upon endorsement, assignment, or other transfer of this Note by Interim or by operation of law, the term "Interim" as used in this Note shall mean the endorsee, assignee, or other successor to Interim then becoming the holder of this Note.
- This Note shall be governed by and construed under the internal laws of the State of Illinois without regard to its conflict of laws provisions.
- Dealer irrevocably agrees that, subject to Interim's sole and absolute election, all actions or proceedings in any way arising out of or related to this Note will be litigated in federal or state courts having situs in Illinois. The undersigned consents and submits to the jurisdiction of any court located within Illinois, waives personal service of process and agrees that all such service of process may be made by registered mail directed to the undersigned at the address stated below and service so made will be deemed to be completed upon actual receipt. Dealer knowingly and voluntarily waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Note.

DEALER:

(Legal name of Dealership)

By:

(Signature of Corporate Officer and Title)

(Address of Dealership)

Accepted:

INTERIM FUNDING, L.L.C.

By:

(Signature of Managing Member or other authorized person)

Date:

# INTERIM FUNDING, L.L.C. ASSIGNMENT

This Assignment is made on \_\_\_\_\_ from \_\_\_\_\_ ("Dealer") to Interim Funding, L.L.C. ("Interim") and is identified by the parties as Draft Authorization Number \_\_\_\_\_

## Recitals

Dealer has sold a motor vehicle to a retail buyer pursuant to written installment contract or leased a motor vehicle to a retail lessee pursuant to a written lease contract (the "Contract"), specifically identified as follows:

Date of Contract	Customer	Motor Vehicle Model	Vehicle Identification Number

Dealer has obtained a conditional assignment of the Contract to \_\_\_\_\_ ("Lender"), and expects to receive proceeds for the Contract from the Lender. Interim has agreed to advance Dealer funds in return for an assignment of the proceeds due Dealer from Lender, any insurance proceeds, as well as an assignment of the Contract in the event the Contract is returned to Dealer.

In consideration of the payment from Interim to Dealer, receipt of which is hereby acknowledged, Dealer does hereby assign its interest as follows:

## Assignment of Proceeds

Dealer hereby assigns to Interim all of its right, title and interest in the proceeds of the Contract due to Dealer from Lender, together with all amounts now due or which may become due thereon from Lender, including any insurance proceeds.

## Notification

On the event of an incidence of default under a certain Dealer Agreement or any other documentation between the parties, Dealer authorized Interim to notify the Lender of this Assignment and to advise that all future payments relating to the Contract shall be made directly to Interim. In the event Lender is so notified, the Dealer shall not compromise, discharge, extend the time for payment or otherwise interfere with the payment or collection of the Contract proceeds nor grant any indulgence or allowance with respect to any Contract without the prior written consent of Interim. If Dealer receives any remittance in payment of the Contract, it will immediately forward such remittance to Interim in the form received, properly endorsed.

## Power of Attorney

Dealer authorizes Interim to endorse the name of Dealer on any check, money order or other evidence of remittance made on the Contract, and grants unto Interim as attorney full power to do any and all things necessary to be done with respect to the above transaction as fully and effectively as Dealer might or could so, and hereby ratifying all Interim shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the term of this agreement and all transactions hereunder. Dealer further agrees to fully cooperate with Interim in the execution and further delivery of any further or other documents that may be required by Interim from time to time.

## Miscellaneous

All provisions of this Assignment shall inure to and become binding upon the successors, representatives, receivers, trustees and assigns of the parties.

This Assignment shall be governed by and construed under the internal laws of the State of Illinois without regard to its conflict of laws provisions. Dealer irrevocably agrees that, subject to Interim's sole and absolute election, all actions or proceedings in any way arising out of or related to this Assignment will be litigated in federal or state courts having situs in Illinois. The undersigned consents and submits to the jurisdiction of any court located within Illinois, waives personal service of process and agrees that all such service of process may be made by registered mail directed to the undersigned at the address stated below and service so made will be deemed to be completed upon actual receipt. Dealer knowingly and voluntarily waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Assignment.

## ASSIGNED:

DEALER:

(Legal name of Dealership)

(Address of Dealership)

BY:

(Signature of Corporate Officer and Title)

White and Yellow - Interim Funding

## ACCEPTED:

INTERIM FUNDING, L.L.C.  
6500 College Drive, Suite 201  
Palos Heights, Illinois 60463

BY:

(Signature of Corporate Officer and Title)

Pink - Dealer Copy



Exhibit G

# Interim Funding, LLC

## ADVICE OF ACH DEBIT

Date December 27, 2000 From: KAREN

Dealer Name MIMI DRAGONE, INC

Fax# 203/368-0584 Attn: Carman

Customer Name BIGNON DOMONOL

Amount of Debit \$ 6,267.47

Authorization # 116-1200-3420

Creditor AUTO USE - AUTO LOAN

Payment date

### PLEASE NOTE YOUR RECORDS:

We have been notified by the "Creditor" that this loan has been funded. In accordance with the terms and conditions of our Dealer Agreement, your bank account will be debited by the amount shown above on the "Payment Date". Please contact us as soon as possible if you have any questions regarding this transaction.

Thank you for allowing Interim Funding to assist you.

*This fax transmission is intended for your Finance Manager and Comptroller/Office Manager. Please be certain it is forwarded to the appropriate individuals. Thank You.*

Interim Funding, LLC  
6500 College Drive, Suite 201  
Palos Heights, IL 60463  
Toll Free 877-299-FUND  
Fax 708-597-9885